

Extension of HFP/SPE/AIM Administrative Vendor Contract

Issue

MRMIB's contract with MAXIMUS to perform administrative services for the Healthy Families Program (HFP), the Single Point of Entry (SPE) and the Access for Infants and Mothers Program (AIM) will expire December 31, 2008. The 5 ½ year contract, which began April 23, 2003 specifically includes the option of two one-year extensions. As the end of the original contract is fast approaching, the Board needs to decide whether to offer MAXIMUS a contract extension.

Background

MAXIMUS is the contracted administrative vendor for the Healthy Families Program (HFP), Access for Infants and Mothers (AIM) Program and the State's Single Point of Entry (SPE).

Improvements Over the Prior Contract

The contract with MAXIMUS provided for a number of improvements over the prior contract and offered more customer service and better price than the competing bid.

1. The cost to the state and federal government decreased on a per enrollee basis by 23% from the prior contract and was 16% less than the competing bid; and
2. The level of customer service required was significantly improved from the prior contract and was significantly better than the level proposed by the competitor. For example, the new contract requires:
 - 5 attempts (vs. 3) to reach a family to ask about customer satisfaction with vendor services;
 - 2 notices (as opposed to one) to families whose child disenrolled regarding the possibility of re-enrolling;
 - 5 PY's to provide on-site and on-line CAA registration and training;
 - An HFP and AIM website in Spanish;
 - An additional plan training on operational consumer and system issues (from 2 to 3);
 - An application that could be downloaded to a family's computer in 11 languages;
 - Provision of mapping and driving directions when a family uses the network information service to locate a provider; and
 - An automated dialing system to be used in efforts to contact families.

Contract Implementation

Implementation of the contract began immediately upon the award of the contract in April 2003. The changeover of vendors occurred December, 2003. The new vendor was able to process applications by the first week of January. Some 600,000 subscribers transitioned from the old vendor to the new. Inevitably, there were some operational system glitches. The contractor worked to address these issues and after 6 months the system was working reliably.

Contractor Performance

The original contract included 17 performance measures that address timeliness of service. In November 2006, MRMIB amended the contract to add 8 additional measures that addressed accuracy and quality of the administrative work performed. The contract provides for liquidated

damages associated with each measure if the vendor fails to meet the standard. MRMIB staff report to the Board monthly on the vendor's performance on these measures.

Staff has analyzed the extent to which Maximus has met these standards since the contract was implemented. For this analysis, staff looked to the number of standards times the number of months the standards was in effect.

Satisfaction of Performance Standards: In HFP/SPE Maximus met 459 performance standards out of 462.¹ In AIM, Maximus met 102 out of 102.

Satisfaction of Quality Standards. In HFP/SPE Maximus met 119 quality standards of 119. In AIM, Maximus met 17 of 17.

Program Changes Since December 2003

In the past five years, the Governor, the Legislature and the Board have instituted many program changes to HFP and AIM. It is critical that the administrative vendor have the flexibility to adapt to program changes.

MRMIB has amended the contract six times since December 2003. The vendor implemented all changes accurately and on time.

The six amendments did the following:

1. Made various changes to financial requirements for administering AIM and HFP premium collections and refunds and AIM reimbursement. Added funding to reimburse the costs of mailing outreach materials to applicants and to specify compliance with additional provisions of the federal Health Insurance Portability and Accountability Act. (January 1,2004)
2. Added and funded a Research Analyst position. This amendment is no longer active. (3/7/2005)
3. Modified the payment process for Open Enrollment (OE). The original contract indicated that MAXIMUS collect OE costs directly from the plans. This amendment revises the payment process to reflect that MRMIB will pay MAXIMUS directly for OE and then bill the plans for the OE costs. It provides for additional services such as allowing families to have automatic re-occurring credit card payments and adding a T-1 circuit line. This line allows MAXIMUS to accept higher volumes of incoming calls through the toll-free line and decreases the likelihood of busy signals for callers. In addition, the T-1 circuit line improves the performance in troubleshooting issues pertaining to the toll-free line. (3/31/2006)
4. Established SPE/HFP/AIM Quality and Accuracy standards, the highest standards in the country.(11/1 06)
5. Revised the OE process. MAXIMUS no longer sends families customized OE packets. Instead, OE postcards are sent to families who do not experience a change in HFP premiums or who are not required to transfer to another plan. Families who receive OE postcards must contact MAXIMUS in order to receive customized OE packets. Families

¹ Of the 3 performance standards that were not met, 1 was for transmitting data to participating plans within 10 calendar days (August 2004) and 2 were for the HFP member toll-free line – seconds to live voice (November 2004 and January 2005).

who experience premium changes or are required to transfer to another plan automatically receive OE customized packets and do not receive postcards. The amendment also adds services for Health-e-App public access. MAXIMUS is required to assess the technical requirements needed in order for HeA to become available for public use (12/ 1/ 2006).

6. Incorporates scope of work changes for the streamline enrollment projects, such as no longer requiring families to submit their initial premium payment for the application process, as well as automatic and equitable assignment of plans when the families' selections are not provided with the initial application. This Amendment also includes the encounter data project (December 2006).

MAXIMUS has successfully implemented a number of other program changes in a relatively short time period such as replacing the HFP-to-Medi-Cal Bridge with Medi-Cal presumptive eligibility. MAXIMUS also was the creator of the on-line eligibility verification system designed so that HFP plans can electronically confirm eligibility and all pertinent information of their assigned subscribers. Every HFP plan can access their subscriber information on a secured web based site.

Recommendation

MRMIB staff recommends that the contract for the HFP, AIM and SPE Administrative Service be extended a year.